

free good in the air, would no longer be going to the coal-fired plants.

So it's an incredible opportunity for us, Madam Speaker, that we begin this move towards fuels of the future. It starts with sound economics, conservative principles of accountability and of attaching externals to internalize the externals associated with some fossil fuels.

If we do that, Madam Speaker, the future is very bright in creating jobs in America. I am very excited about that and look forward to talking about it more with my colleagues as we go forward to figure out a way we can break this addiction to foreign oil and to power our lives in cleaner and job-producing ways.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. McHENRY) is recognized for 5 minutes.

(Mr. McHENRY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

INVESTIGATE THE RELATIONSHIP BETWEEN EARMARK AND CAMPAIGN CONTRIBUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

Mr. FLAKE. Madam Speaker, last week I offered a privileged resolution which would have required the House Ethics Committee to investigate the relationship between earmarks and campaign contributions.

This resolution was prompted by the revelation that the Department of Justice is investigating a powerhouse lobbying firm, the PMA Group, for irregularities, including apparent strawman contributions to Members of Congress. Many Members of Congress receiving PMA contributions have gone on to secure earmarks for the firm's clients.

This is no small matter. The PMA Group had revenues of 18 million last year alone, made contributions to more than 100 Members of this body and secured some 300 million in earmarks for its clients in one bill alone, the 2008 Defense Appropriations bill. My resolution last week was tabled with a vote of 226-182 with 12 Members voting present.

Now during the course of last week I had numerous discussions with Members of this body who felt that the "resolved" clauses in the resolution were too broad, that the Ethics Committee did not have the time or resources to undertake such a task. Now, for the record, I disagree. I feel that with such a cloud as this over this House, we have an obligation to do whatever it takes to ensure that the dignity and the decorum of the House are maintained.

But with the failure of last week's privileged resolution, the cloud over

the House remains, a cloud that will stay as long as we fail to take action. I have therefore narrowed the resolution.

I offered last week to address only the PMA Group. The new privileged resolution simply states that the House Ethics Committee will investigate the earmark company made on behalf of clients of the PMA Group. There are some who may believe that the announcement by the PMA Group that it will dissolve at the end of the month absolves us of our responsibility to take action. I would remind them that the omnibus spending bill that will likely go to the President later this week contains more than a dozen earmarks for clients of the PMA Group.

Let me put it in plain language. The legislation we will send to the President later this week contains no-bid contracts for clients of the PMA Group, an organization that is currently under investigation by the Department of Justice.

Further, there are Members of Congress who secured these no-bid contracts and received campaign contributions from the PMA Group, an organization that is currently under investigation by the U.S. Department of Justice. If this doesn't warrant an investigation by the House Ethics Committee, Madam Speaker, what does?

Again, Madam Speaker, let's be clear. This is not a partisan resolution. No Member of this body is referenced in the resolution, nor is there reference to a political party. The cloud that hangs over this institution rains on Republicans and Democrats alike. It is our responsibility, all of us, to let the sun shine on this institution once more.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

(Mr. PAUL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

HONORING ARMY FIRST LIEUTENANT NICOLAS ESLINGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. OLSON) is recognized for 5 minutes.

Mr. OLSON. Madam Speaker, I would like to take this opportunity to introduce my colleagues and the Nation to a constituent of the 22nd District and a true American hero.

His name is Army First Lieutenant Nicholas Eslinger, "Nick," from the great town of Missouri City, Texas, and his actions on the battlefield of Iraq are nothing short of extraordinary. While serving as a platoon leader during Operation Iraqi Freedom in Samarra during a dismounted patrol, First Lieutenant Eslinger and his men were attacked. When the enemy threw

a grenade at his men, Lieutenant Eslinger didn't dive for cover, he dove at the grenade, picked it up, and, like a Nolan Ryan fastball, threw it back at the enemy.

While his quick reaction saved the lives of his men, Lieutenant Eslinger wasn't finished. Like a true Texan, he took off after the enemy combatant, eventually leading to the enemy combatant's arrest and detention. For his quick thinking and courageous action, Lieutenant Eslinger was awarded our country's second highest combat award, the Silver Star.

This past Saturday I had the privilege and the opportunity to visit Nick, along with his mother Donna, his father Bruce, his brother Danny, and many neighbors and friends at their home in Missouri City. Before leaving, Lieutenant Eslinger gave me a unit medallion of the Charlie Company, 2nd Battalion, 327th Infantry Regiment of the 101st Airborne, commonly referred to as "No Slack." It is something I am honored to have received and something I will carry with me with pride for the rest of my life.

Yesterday my State celebrated the 173rd anniversary of the Texas Declaration of Independence. Early in our fight for independence, at the Battle of Gonzalez, the Mexican army tried to seize the town's only cannon. The volunteers of Gonzalez, facing a much larger professional military force, might have been smart to hand over that cannon. Instead, they raised a flag that said "Come and Take It." In Lieutenant Eslinger's brave actions, I see the same spirit of defiance in the face of violence and the refusal to be intimidated that helped my State to achieve its independence.

Among thousands of other men and women who make sacrifices and perform courageous deeds for their country, perhaps some at this very moment, Lieutenant Eslinger's actions are worthy of special recognition, and I am proud to do so today.

Nick, thank you for the coin. Thank you for your service. God bless you and your family.

□ 1700

BENEFITS OF THE ECONOMIC STIMULUS PACKAGE

The SPEAKER pro tempore (Mrs. DAHLKEMPER). Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Let me thank the Speaker for her leadership and the opportunity to address my colleagues on what I think is a very important topic.

Of course, first I wish to wish my great State of Texas happy independence day, March 2, 2009, which was yesterday, and celebrate the courage of those fighters who declared their independence from Mexico. Texans are an independent bunch, but we are a patriotic bunch and we love this country,

and I believe it is important to address the leadership that sits just a few blocks away that is attempting to take this Nation to another level of economic empowerment and change.

It is important, Madam Speaker, to articulate more clearly the purposes of the economic stimulus package and the bankruptcy bill that will come to this floor in just a couple of days. Both of those bills respond to the needs of the average working American. It is important to note that the economic stimulus package has no earmarks and it is to generate jobs and those jobs are to be in the private sector.

Over the last 2 weeks, Madam Speaker, I have sat down in my school districts speaking to each superintendent asking them to establish an economic stimulus task force that would ensure that the dollars that would come through this stimulus package would be, first of all, used to educate our children; would be limited in its use for administrative costs; would be focusing on saving teachers' jobs or creating teachers' jobs; would focus on Title I; and would help modernize schools and hire contractors who would then hire people who are out of work in the private sector. School districts typically don't build or modernize their schools. Those are jobs, \$10 billion in the stimulus package.

Recently I have walked through unemployment offices to focus on getting job training dollars so that people could alter their careers and be able to be prepared for the 21st century workplace, such as being prepared for the green jobs that are also part of the economic stimulus package. Weatherization, \$5 billion for weatherization of our buildings and homes both in the cold weather and the hot weather. Those are jobs, Madam Speaker, that have not been created before. They are not jobs in the government. They are jobs in the private sector.

Madam Speaker, I went on to meet with the Texas Department of Transportation to ensure that contracts are shovel-ready; that new small businesses and minority businesses and women-owned businesses are being hired, that they are able to be proud of what they put on the Web site and that they actually do create jobs.

Just yesterday, I met with the mayor of Houston, the fourth largest city in the Nation, and the department heads, seeking creatively how we can enhance and beautify distressed areas, depressed areas, both in rural and urban areas, which was the purpose of the President's desire.

By the way, Madam Speaker, I can tell you that earmarks should not be labeled as being fraudulent. They should be transparent. They are not an added expenditure of dollars. They are simply allowing the people of the district, the State of Texas, the State of New York or Mississippi or Georgia or California to be able to assess where those moneys can be used more effectively. But we don't have any earmarks in the stimulus package.

The bankruptcy bill, which has been much maligned in certain areas, and I am very glad we are coming together to think together, is really a bill that responds to the little person, the person who was responsible, the person who really feels that bankruptcy may in fact be a shameful thing to do, but are working every day trying to make ends meet. They are making their payments, but they are falling behind as they try to make those payments.

What it does is it allows a judge to assess whether that person is able to more effectively keep their house if they are able to cram down the amount of the mortgage. But what happens, Madam Speaker, is that if that house is ultimately sold, any profit goes back to the lender. Where is the help for the little guy? Where is the help for the struggling homeowner and American who works every day? It is the bankruptcy court. That will not be a free ride.

In addition, I hope to offer legislation that indicates that if a buyer was manipulated with an adjustable rate or predatory lending, that their missteps in their mortgage, that their faltering, does not impact their credit score, which then ends their ability to be part of the economic resurgence that will come about over the next couple of months and years as we begin to see the economic stimulus package work.

This is not a tough task. I voted against the TARP originally. Money is being given to big banks. But what I believe is we have got to recapitalize our markets and restore our housing market.

Madam Speaker, we are on the right path. Let's do it in unity. Let's not forget the hard-working Americans who now need to have their day by passing the bankruptcy bill and making sure the stimulus package works.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FRANKS) is recognized for 5 minutes.

(Mr. FRANKS of Arizona addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

LIFE ON THE DOWNSIDE OF THE LAFFER CURVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCCLINTOCK) is recognized for 5 minutes.

Mr. MCCLINTOCK. Madam Speaker, the Laffer Curve is a simple but eloquent method of demonstrating how increasing taxes reduces economic productivity until a point of equilibrium is reached when further tax hikes actually reduce revenue. If the tax rate is zero, tax revenues are zero. But if the tax rate is 100 percent, tax revenues also reach zero, because there is no point in working. Thus, every increase in a tax rate produces a progressively

smaller return of tax revenues as people adjust their behavior to reflect the reduced value of their work. When taxes exceed an economic tipping point, revenues begin to fall.

California vividly demonstrated this effect in 1991 when Governor Pete Wilson imposed the biggest State tax increase in American history. That \$7 billion tax hike, a staggering combination of increases in sales and income and car taxes, broke the back of California's economy. While the rest of the Nation's economy expanded, the tax hike put California into a nosedive, including the biggest plunge in retail sales in 30 years. Those taxes brought in barely half of the new revenue that had been predicted and then produced two consecutive years of billion dollar a year declines in State revenues.

Well, Madam Speaker, California is about to get another very expensive lesson in the Laffer Curve, courtesy of a \$13 billion tax increase just approved by Governor Arnold Schwarzenegger. That hike will sock an average family with more than \$1,200 of new taxes.

We should watch California's experience very carefully in the days ahead, because it is going to be a harbinger of the impact that we can expect under President Obama's proposed tax increases. Although California already has the highest sales tax in the Nation, it is about to go up by 13 percent, or a penny on the dollar. Although California has the highest income tax in the Nation, it is about to go up another quarter percent. Although California's sales tax is the second biggest generator of revenue for the State and automobile sales comprise a fifth of all sales taxes, the State has also doubled the car tax and is lobbying for new regulations which will increase the price of a new car by as much as \$5,000.

Benjamin Franklin said that "experience keeps a dear school, but fools will learn in no other." Appropriately, the California tax increases will take effect on April Fool's Day, illustrating that some people don't even learn from experience.

But perhaps some good will come of it for the Nation. If California's experience with the Wilson tax increases is any indication, the impact of the Schwarzenegger tax hike is likely to be immediate and devastating. I believe it could serve as an invaluable lesson for the Obama administration, which last week announced a whopping tax increase of \$1.4 trillion over the next 10 years, averaging about \$1,800 per family per year.

Now, I know, the President promises these taxes will only fall on the "very wealthy," those folks who earn \$125,000 as individuals or \$250,000 as couples. But the fact is that 65 percent of those folks aren't really folks at all. They are small businesses that are the very foundation of our economy, many of which are barely holding on as it is. The other tax will directly hammer families with higher energy and consumer prices through a \$656 billion carbon tax.